



February 11, 2014

ENGROSSED HOUSE BILL No. 1332

DIGEST OF HB 1332 (Updated February 10, 2014 11:03 am - DI 84)

Citations Affected: IC 4-3; IC 4-4; IC 4-22; IC 5-28; IC 35-51; noncode.

Synopsis: Office of small business and entrepreneurship. Codifies the law concerning the office of small business and entrepreneurship. Transfers the small business development center, the small business ombudsman, and the young entrepreneurs program from the Indiana economic development corporation to the office of small business and entrepreneurship by removing or repealing the appropriate provisions in the Indiana economic development corporation law and recodifying them in the law concerning the lieutenant governor. Extends the young entrepreneurs program by two years. Makes conforming changes. Repeals the following chapters that are substantively similar to other chapters of the Indiana Code: (1) The promotion of livestock shows. (2) The promotion of foreign markets for agricultural products. (3) The promotion of aquaculture. (4) The inspection of grain moisture testing equipment. Repeals the community promotion program. Transfers money from the livestock industry promotion and development fund to the fund created in a similar chapter. Transfers money from the livestock export facility administration fund and the community development fund to the state general fund. Makes an appropriation.

Effective: May 1, 2014; July 1, 2014.

**Messmer, Dermody, Austin,
Davisson**

(SENATE SPONSORS — YODER, LANANE)

January 15, 2014, read first time and referred to Committee on Commerce, Small Business and Economic Development.

January 23, 2014, amended, reported — Do Pass.

January 27, 2014, read second time, ordered engrossed. Engrossed.

January 28, 2014, read third time, passed. Yeas 94, nays 0.

SENATE ACTION

February 4, 2014, read first time and referred to Committee on Agriculture and Natural Resources.

February 10, 2014, reported favorably — Do Pass.

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February 11, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1332

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-3-22-16, AS AMENDED BY P.L.110-2010,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 MAY 1, 2014]: Sec. 16. (a) As used in this section, "coordinator"
4 means the following:

5 (1) A small business regulatory coordinator (as defined in
6 IC 4-22-2-28.1(b)).

7 (2) An ombudsman designated under IC 13-28-3-2.

8 (3) An ombudsman designated under ~~IC 5-28-17-5~~; **IC 4-4-35-8**.

9 (b) Each coordinator may review proposed legislation affecting the
10 small businesses that are regulated by the agency or that would be
11 regulated by the agency under proposed legislation. A coordinator may
12 submit to the OMB written comments concerning the impact of
13 proposed legislation on small business.

14 (c) The OMB may review comments received under subsection (b).
15 The OMB may amend the comments. After completing its review, the
16 OMB shall transmit the comments to the legislative services agency for

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posting on the general assembly's web site. The comments submitted under this section shall be transmitted electronically in a format suitable for posting to the general assembly's web site as determined by the legislative services agency.

SECTION 2. IC 4-4-3.2 IS REPEALED [EFFECTIVE JULY 1, 2014]. (Promotion of Livestock Shows).

SECTION 3. IC 4-4-3.3 IS REPEALED [EFFECTIVE JULY 1, 2014]. (Promotion of Foreign Markets for Agricultural Products).

SECTION 4. IC 4-4-3.8 IS REPEALED [EFFECTIVE JULY 1, 2014]. (Aquaculture).

SECTION 5. IC 4-4-15 IS REPEALED [EFFECTIVE JULY 1, 2014]. (Community Promotion Program).

SECTION 6. IC 4-4-27 IS REPEALED [EFFECTIVE JULY 1, 2014]. (Inspection of Grain Moisture Testing Equipment).

SECTION 7. IC 4-4-35 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2014]:

Chapter 35. Office of Small Business and Entrepreneurship

Sec. 1. As used in this chapter, "director" refers to the director of the office of small business and entrepreneurship appointed under section 4 of this chapter.

Sec. 2. As used in this chapter, "office" refers to the office of small business and entrepreneurship established by section 3 of this chapter.

Sec. 3. The office of small business and entrepreneurship is established.

Sec. 4. (a) The lieutenant governor shall appoint an individual to be the director of the office.

(b) The director:

(1) serves at the lieutenant governor's pleasure;

(2) is entitled to receive compensation in an amount set by the lieutenant governor subject to the approval of the budget agency under IC 4-12-1-13; and

(3) is responsible to the lieutenant governor.

(c) The director is the chief executive and administrative officer of the office.

(d) The director may appoint employees in the manner provided by IC 4-15-2.2 and fix their compensation, subject to the approval of the budget agency under IC 4-12-1-13.

(e) The director may delegate the director's authority to the appropriate office staff.

Sec. 5. The office shall do the following:



- (1) Operate the Indiana small business development center.
- (2) Maintain, through the small business development centers, a statewide network of public, private, and educational resources to, among other things, inform small businesses of the state and federal programs under which small businesses may obtain financial assistance or realize reduced costs through programs such as the small employer health insurance pooling program under IC 27-8-5-16(8).
- (3) Employ a small business ombudsman.
- (4) Support the development of small business in Indiana through the Indiana small business development center.
- (5) Administer the young entrepreneurs program under IC 4-4-36.
- (6) Develop and administer programs to support the growth of small businesses.

Sec. 6. The office may operate a small business assistance center to provide small businesses, including minority owned businesses and businesses owned by women, with access to managerial and technical expertise and to provide assistance in resolving problems encountered by small businesses.

Sec. 7. The office has the following:

- (1) All powers, duties, and responsibilities designated by the governor or the lieutenant governor, or both, that are consistent with the exercise of executive authority under the Constitution of the State of Indiana.
- (2) All powers, duties, and responsibilities provided to the office by statute.

Sec. 8. The office shall designate an employee to be the small business ombudsman. The small business ombudsman serves at the pleasure of the director. The office shall provide staff support to the small business ombudsman. The small business ombudsman shall carry out the following duties:

- (1) Work with state agencies to permit increased enforcement flexibility and the ability to grant common sense exemptions for first time offenders of state rules and policies, including, notwithstanding any other law, policies for the compromise of interest and penalties related to a listed tax (as defined in IC 6-8.1-1-1) and other taxes and fees collected or administered by a state agency.
- (2) Work with state agencies to seek ways to consolidate forms and eliminate the duplication of paperwork, harmonize data, and coordinate due dates.



(3) Coordinate with OMB (as defined in IC 4-3-22-3) to perform cost benefit analyses.

(4) Work with state agencies to monitor any outdated, ineffective, or overly burdensome information requests from state agencies to small businesses.

(5) Carry out the duties specified under IC 4-22-2-28 and IC 4-22-2.1 to review proposed rules and participate in rulemaking actions that affect small businesses.

(6) Coordinate with the ombudsman designated under IC 13-28-3-2 and the office of voluntary compliance established by IC 13-28-1-1 to coordinate the provision of services required under IC 4-22-2-28.1 and IC 13-28-3.

(7) Prepare written and electronic information for periodic distribution to small businesses describing the small business services provided by coordinators (as defined in IC 4-3-22-16) and work with the office of technology established by IC 4-13.1-2-1 to place information concerning the availability of these services on state Internet web sites that the small business ombudsman or a state agency determines are most likely to be visited by small business owners and managers.

(8) Assist in training agency coordinators that are assigned to rules under IC 4-22-2-28.1(e).

(9) Investigate and attempt to resolve any matter regarding compliance by a small business with a law, rule, or policy administered by a state agency, either as a party to a proceeding or as a mediator.

State agencies shall cooperate with the small business ombudsman to carry out the purpose of this section. The department of state revenue and the department of workforce development shall establish a program to distribute the information described in subdivision (7) to small businesses that are required to file returns or information with these state agencies.

Sec. 9. The office may adopt rules under IC 4-22-2 to carry out the duties, purposes, and functions of this chapter.

SECTION 8. IC 4-4-36 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2014]:

Chapter 36. Young Entrepreneurs Program

Sec. 1. As used in this chapter, "office" means the office of small business and entrepreneurship established by IC 4-4-35-3.

Sec. 2. As used in this chapter, "young entrepreneur" means an individual who:



- (1) is enrolled in a state educational institution and pursuing a major or minor in an entrepreneurial program; or
 (2) graduated from a state educational institution with a major or minor in an entrepreneurial program not more than three (3) years before submitting an application to participate in a program established under section 3 of this chapter.

Sec. 3. (a) The office shall administer a program to promote young entrepreneurs who wish to start a business in Indiana. The program is the continuation of the program established under IC 5-28-35 (repealed).

(b) The office shall cooperate with the office of community and rural affairs established by IC 4-4-9.7-4 to inform rural communities of the opportunity to seek economic development opportunities under the program.

(c) Notwithstanding any other law, the office may use any money available to the office under this article to implement this chapter.

Sec. 4. The program administered under this chapter must include at least one (1) auction per year in which interested communities and economic development organizations bid on the opportunity to locate a young entrepreneur's business in the community or territory served by the economic development organization.

Sec. 5. A young entrepreneur who wishes to participate in the program must apply on a form prescribed by the office. The application must describe the young entrepreneur's proposals for starting a business in Indiana, including start up needs for the proposed business and the applicant's preferred locations.

Sec. 6. The office shall review the applications submitted under section 5 of this chapter and select the young entrepreneurs permitted to participate in an auction conducted under section 7 of this chapter.

Sec. 7. The office shall publicly announce the office's intent to conduct an auction and the auction guidelines. The office may conduct an auction held under this section in person or in an online format at a state educational institution or a state government location in Indianapolis.

Sec. 8. (a) Communities and economic development organizations may submit bids to the office for the auction consistent with the guidelines announced by the office. The office shall review each bid submitted at the auction to identify the communities and economic development organizations that



submitted bids that meet or exceed the needs of the selected young entrepreneurs.

(b) The office shall review the bids identified under subsection (a) and assist the young entrepreneur in selecting a winning community or economic development organization from among the identified bids. A bid selected by a young entrepreneur under this subsection is legally binding upon the parties in accordance with the terms of the selected bid.

Sec. 9. The office may assist each young entrepreneur selected to participate in the program with the development of the young entrepreneur's business proposal to ensure that each proposal is professionally presented to interested bidders.

Sec. 10. The office shall conduct a preview event before an auction held under section 7 of this chapter. The preview event must be designed to introduce the young entrepreneurs selected for the auction to interested communities and economic development organizations. The preview event may be held at a state educational institution or a state government location in Indianapolis.

Sec. 11. The office of community and rural affairs shall assist rural communities and economic development organizations serving rural communities in reviewing business proposals and preparing bids for an auction held under section 7 of this chapter.

Sec. 12. The office may impose a reasonable fee on a community or economic development organization that participates in an auction conducted under this chapter.

Sec. 13. This chapter expires December 31, 2016.

SECTION 9. IC 4-22-2-28, AS AMENDED BY P.L.291-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 1, 2014]: Sec. 28. (a) The following definitions apply throughout this section:

(1) "Ombudsman" refers to the small business ombudsman designated under ~~IC 5-28-17-5~~; **IC 4-4-35-8**.

(2) "Total estimated economic impact" means the direct annual economic impact of a rule on all regulated persons after the rule is fully implemented under subsection (g).

(b) The ombudsman:

(1) shall review a proposed rule that:

(A) imposes requirements or costs on small businesses (as defined in IC 4-22-2.1-4); and

(B) is referred to the ombudsman by an agency under IC 4-22-2.1-5(c); and



(2) may review a proposed rule that imposes requirements or costs on businesses other than small businesses (as defined in IC 4-22-2.1-4).

After conducting a review under subdivision (1) or (2), the ombudsman may suggest alternatives to reduce any regulatory burden that the proposed rule imposes on small businesses or other businesses. The agency that intends to adopt the proposed rule shall respond in writing to the ombudsman concerning the ombudsman's comments or suggested alternatives before adopting the proposed rule under section 29 of this chapter.

(c) Subject to subsection (e) and not later than fifty (50) days before the public hearing for a proposed rule required by section 26 of this chapter, an agency shall submit the proposed rule to the office of management and budget for a review under subsection (d), if the agency proposing the rule determines that the rule will have a total estimated economic impact greater than five hundred thousand dollars (\$500,000) on all regulated persons. In determining the total estimated economic impact under this subsection, the agency shall consider any applicable information submitted by the regulated persons affected by the rule. To assist the office of management and budget in preparing the fiscal impact statement required by subsection (d), the agency shall submit, along with the proposed rule, the data used and assumptions made by the agency in determining the total estimated economic impact of the rule.

(d) Except as provided in subsection (e), before the adoption of the rule, and not more than forty-five (45) days after receiving a proposed rule under subsection (c), the office of management and budget shall prepare, using the data and assumptions provided by the agency proposing the rule, along with any other data or information available to the office of management and budget, a fiscal impact statement concerning the effect that compliance with the proposed rule will have on:

(1) the state; and

(2) all persons regulated by the proposed rule.

The fiscal impact statement must contain the total estimated economic impact of the proposed rule and a determination concerning the extent to which the proposed rule creates an unfunded mandate on a state agency or political subdivision. The fiscal impact statement is a public document. The office of management and budget shall make the fiscal impact statement available to interested parties upon request and to the agency proposing the rule. The agency proposing the rule shall consider the fiscal impact statement as part of the rulemaking process



1 and shall provide the office of management and budget with the
 2 information necessary to prepare the fiscal impact statement, including
 3 any economic impact statement prepared by the agency under
 4 IC 4-22-2.1-5. The office of management and budget may also receive
 5 and consider applicable information from the regulated persons
 6 affected by the rule in preparation of the fiscal impact statement.

7 (e) With respect to a proposed rule subject to IC 13-14-9:

8 (1) the department of environmental management shall give
 9 written notice to the office of management and budget of the
 10 proposed date of preliminary adoption of the proposed rule not
 11 less than sixty-six (66) days before that date; and

12 (2) the office of management and budget shall prepare the fiscal
 13 impact statement referred to in subsection (d) not later than
 14 twenty-one (21) days before the proposed date of preliminary
 15 adoption of the proposed rule.

16 (f) In determining whether a proposed rule has a total estimated
 17 economic impact greater than five hundred thousand dollars
 18 (\$500,000), the agency proposing the rule shall consider the impact of
 19 the rule on any regulated person that already complies with the
 20 standards imposed by the rule on a voluntary basis.

21 (g) For purposes of this section, a rule is fully implemented after:

22 (1) the conclusion of any phase-in period during which:

23 (A) the rule is gradually made to apply to certain regulated
 24 persons; or

25 (B) the costs of the rule are gradually implemented; and

26 (2) the rule applies to all regulated persons that will be affected
 27 by the rule.

28 In determining the total estimated economic impact of a proposed rule
 29 under this section, the agency proposing the rule shall consider the
 30 annual economic impact on all regulated persons beginning with the
 31 first twelve (12) month period after the rule is fully implemented. The
 32 agency may use actual or forecasted data and may consider the actual
 33 and anticipated effects of inflation and deflation. The agency shall
 34 describe any assumptions made and any data used in determining the
 35 total estimated economic impact of a rule under this section.

36 (h) This subsection applies to any proposed rule submitted under
 37 this section or section 40 of this chapter to the office of management
 38 and budget after June 30, 2013. An agency shall provide the
 39 administrative rules oversight committee with any analysis, data, and
 40 description of assumptions submitted to the office of management and
 41 budget under this section or section 40 of this chapter at the same time
 42 the agency submits the information to the office of management and



1 budget. The office of management and budget shall provide the
 2 administrative rules oversight committee with any fiscal impact
 3 statement and related supporting documentation prepared by the office
 4 of management and budget under this section or section 40 of this
 5 chapter at the same time the office of management and budget provides
 6 the fiscal impact statement to the agency proposing the rule.
 7 Information submitted under this subsection must identify the rule to
 8 which the information is related by document control number assigned
 9 by the publisher.

10 (i) This subsection applies to any analysis completed after June 30,
 11 2013, to comply with a statute described in this subsection. An agency
 12 shall provide the administrative rules oversight committee with any
 13 economic impact or fiscal impact statement, including any supporting
 14 data, studies, or analysis, prepared for a rule proposed by the agency or
 15 subject to readoption by the agency to comply with:

16 (1) a requirement in section 19.5 of this chapter to minimize the
 17 expenses to regulated entities that are required to comply with the
 18 rule;

19 (2) a requirement in section 24 of this chapter to publish a
 20 justification of any requirement or cost that is imposed on a
 21 regulated entity under the rule;

22 (3) a requirement in IC 4-22-2.1-5 to prepare a statement that
 23 describes the annual economic impact of a rule on all small
 24 businesses after the rule is fully implemented;

25 (4) a requirement in IC 4-22-2.5-3.1 to conduct a review to
 26 consider whether there are any alternative methods of achieving
 27 the purpose of the rule that are less costly or less intrusive, or that
 28 would otherwise minimize the economic impact of the proposed
 29 rule on small businesses;

30 (5) a requirement in IC 13-14-9-3 or IC 13-14-9-4 to publish
 31 information concerning the fiscal impact of a rule or alternatives
 32 to a rule subject to these provisions; or

33 (6) a requirement under any other law to conduct an analysis of
 34 the cost, economic impact, or fiscal impact of a rule;

35 regardless of whether the total estimated economic impact of the
 36 proposed rule is more than five hundred thousand dollars (\$500,000),
 37 as soon as practicable after the information is prepared. Information
 38 submitted under this subsection must identify the rule to which the
 39 information is related by document control number assigned by the
 40 publisher.

41 SECTION 10. IC 4-22-2-28.1, AS AMENDED BY P.L.133-2012,
 42 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



MAY 1, 2014]; Sec. 28.1. (a) This section applies to the following:

(1) A rule for which the notice required by section 23 of this chapter or by IC 13-14-9-3 is published by an agency or the board (as defined in IC 13-13-8-1).

(2) A rule for which:

(A) the notice required by IC 13-14-9-3; or

(B) an appropriate later notice for circumstances described in subsection (g);

is published by the department of environmental management after June 30, 2006.

(b) As used in this section, "coordinator" refers to the small business regulatory coordinator assigned to a rule by an agency under subsection (e).

(c) As used in this section, "director" refers to the director or other administrative head of an agency.

(d) As used in this section, "small business" has the meaning set forth in IC 5-28-2-6.

(e) For each rulemaking action and rule finally adopted as a result of a rulemaking action by an agency under this chapter, the agency shall assign one (1) staff person to serve as the agency's small business regulatory coordinator with respect to the proposed or adopted rule. The agency shall assign a staff person to a rule under this subsection based on the person's knowledge of, or experience with, the subject matter of the rule. A staff person may serve as the coordinator for more than one (1) rule proposed or adopted by the agency if the person is qualified by knowledge or experience with respect to each rule. Subject to subsection (f):

(1) in the case of a proposed rule, the notice of intent to adopt the rule published under section 23 of this chapter; or

(2) in the case of a rule proposed by the department of environmental management or the board (as defined in IC 13-13-8-1), the notice published under IC 13-14-9-3 or the findings published under IC 13-14-9-8(b)(1), whichever applies;

must include the name, address, telephone number, and electronic mail address of the small business coordinator for the proposed rule, the name, address, telephone number, and electronic mail address of the small business ombudsman designated under ~~IC 5-28-17-5;~~ **IC 4-4-35-8**, and a statement of the resources available to regulated entities through the small business ombudsman designated under ~~IC 5-28-17-5;~~ **IC 4-4-35-8**. Subject to subsection (f), in the case of a rule finally adopted, the final rule, as published in the Indiana Register, must include the name, address, telephone number, and electronic mail



1 address of the coordinator.

2 (f) This subsection applies to a rule adopted by the department of
3 environmental management or the board (as defined in IC 13-13-8-1)
4 under IC 13-14-9. Subject to subsection (g), the department shall
5 include in the notice provided under IC 13-14-9-3 or in the findings
6 published under IC 13-14-9-8(b)(1), whichever applies, and in the
7 publication of the final rule in the Indiana Register:

8 (1) a statement of the resources available to regulated entities
9 through the technical and compliance assistance program
10 established under IC 13-28-3;

11 (2) the name, address, telephone number, and electronic mail
12 address of the ombudsman designated under IC 13-28-3-2;

13 (3) if applicable, a statement of:

14 (A) the resources available to small businesses through the
15 small business stationary source technical assistance program
16 established under IC 13-28-5; and

17 (B) the name, address, telephone number, and electronic mail
18 address of the ombudsman for small business designated under
19 IC 13-28-5-2(3); and

20 (4) the information required by subsection (e).

21 The coordinator assigned to the rule under subsection (e) shall work
22 with the ombudsman described in subdivision (2) and the office of
23 voluntary compliance established by IC 13-28-1-1 to coordinate the
24 provision of services required under subsection (h) and IC 13-28-3. If
25 applicable, the coordinator assigned to the rule under subsection (e)
26 shall work with the ombudsman referred to in subdivision (3)(B) to
27 coordinate the provision of services required under subsection (h) and
28 IC 13-28-5.

29 (g) If the notice provided under IC 13-14-9-3 is not published as
30 allowed by IC 13-14-9-7, the department of environmental
31 management shall publish in the notice provided under IC 13-14-9-4
32 the information that subsection (f) would otherwise require to be
33 published in the notice under IC 13-14-9-3. If neither the notice under
34 IC 13-14-9-3 nor the notice under IC 13-14-9-4 is published as allowed
35 by IC 13-14-9-8, the department of environmental management shall
36 publish in the commissioner's written findings under IC 13-14-9-8(b)
37 the information that subsection (f) would otherwise require to be
38 published in the notice under IC 13-14-9-3.

39 (h) The coordinator assigned to a rule under subsection (e) shall
40 serve as a liaison between the agency and any small business subject
41 to regulation under the rule. The coordinator shall provide guidance to
42 small businesses affected by the rule on the following:



(1) Any requirements imposed by the rule, including any reporting, record keeping, or accounting requirements.

(2) How the agency determines or measures compliance with the rule, including any deadlines for action by regulated entities.

(3) Any penalties, sanctions, or fines imposed for noncompliance with the rule.

(4) Any other concerns of small businesses with respect to the rule, including the agency's application or enforcement of the rule in particular situations. However, in the case of a rule adopted under IC 13-14-9, the coordinator assigned to the rule may refer a small business with concerns about the application or enforcement of the rule in a particular situation to the ombudsman designated under IC 13-28-3-2 or, if applicable, under IC 13-28-5-2(3).

(i) The coordinator assigned to a rule under subsection (e) shall provide guidance under this section in response to questions and concerns expressed by small businesses affected by the rule. The coordinator may also issue general guidelines or informational pamphlets to assist small businesses in complying with the rule. Any guidelines or informational pamphlets issued under this subsection shall be made available:

(1) for public inspection and copying at the offices of the agency under IC 5-14-3; and

(2) electronically through electronic gateway access.

(j) The coordinator assigned to a rule under subsection (e) shall keep a record of all comments, questions, and complaints received from small businesses with respect to the rule. The coordinator shall deliver the record, along with any accompanying documents submitted by small businesses, to the director:

(1) not later than ten (10) days after the date on which the rule is submitted to the publisher under section 35 of this chapter; and

(2) before July 15 of each year during which the rule remains in effect.

The coordinator and the director shall keep confidential any information concerning a small business to the extent that the information is exempt from public disclosure under IC 5-14-3-4.

(k) Not later than November 1 of each year, the director shall:

(1) compile the records received from all of the agency's coordinators under subsection (j);

(2) prepare a report that sets forth:

(A) the number of comments, complaints, and questions received by the agency from small businesses during the most



- 1 recent state fiscal year, categorized by the subject matter of the
- 2 rules involved;
- 3 (B) the number of complaints or questions reported under
- 4 clause (A) that were resolved to the satisfaction of the agency
- 5 and the small businesses involved;
- 6 (C) the total number of staff serving as coordinators under this
- 7 section during the most recent state fiscal year;
- 8 (D) the agency's costs in complying with this section during
- 9 the most recent state fiscal year; and
- 10 (E) the projected budget required by the agency to comply
- 11 with this section during the current state fiscal year; and
- 12 (3) deliver the report to the legislative council in an electronic
- 13 format under IC 5-14-6 and to the small business ombudsman
- 14 designated by IC 5-28-17-5: **under IC 4-4-35-8.**
- 15 SECTION 11. IC 4-22-2.1-5, AS AMENDED BY P.L.110-2010,
- 16 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 17 MAY 1, 2014]: Sec. 5. (a) If an agency intends to adopt a rule under
- 18 IC 4-22-2 that will impose requirements or costs on small businesses,
- 19 the agency shall prepare a statement that describes the annual
- 20 economic impact of a rule on all small businesses after the rule is fully
- 21 implemented as described in subsection (b). The statement required by
- 22 this section must include the following:
- 23 (1) An estimate of the number of small businesses, classified by
- 24 industry sector, that will be subject to the proposed rule.
- 25 (2) An estimate of the average annual reporting, record keeping,
- 26 and other administrative costs that small businesses will incur to
- 27 comply with the proposed rule.
- 28 (3) An estimate of the total annual economic impact that
- 29 compliance with the proposed rule will have on all small
- 30 businesses subject to the rule. The agency is not required to
- 31 submit the proposed rule to the office of management and budget
- 32 for a fiscal analysis under IC 4-22-2-28 unless the estimated
- 33 economic impact of the rule is greater than five hundred thousand
- 34 dollars (\$500,000) on all regulated entities, as set forth in
- 35 IC 4-22-2-28.
- 36 (4) A statement justifying any requirement or cost that is:
- 37 (A) imposed on small businesses by the rule; and
- 38 (B) not expressly required by:
- 39 (i) the statute authorizing the agency to adopt the rule; or
- 40 (ii) any other state or federal law.
- 41 The statement required by this subdivision must include a
- 42 reference to any data, studies, or analyses relied upon by the



1 agency in determining that the imposition of the requirement or
2 cost is necessary.

3 (5) A regulatory flexibility analysis that considers any less
4 intrusive or less costly alternative methods of achieving the
5 purpose of the proposed rule. The analysis under this subdivision
6 must consider the following methods of minimizing the economic
7 impact of the proposed rule on small businesses:

8 (A) The establishment of less stringent compliance or
9 reporting requirements for small businesses.

10 (B) The establishment of less stringent schedules or deadlines
11 for compliance or reporting requirements for small businesses.

12 (C) The consolidation or simplification of compliance or
13 reporting requirements for small businesses.

14 (D) The establishment of performance standards for small
15 businesses instead of design or operational standards imposed
16 on other regulated entities by the rule.

17 (E) The exemption of small businesses from part or all of the
18 requirements or costs imposed by the rule.

19 If the agency has made a preliminary determination not to
20 implement one (1) or more of the alternative methods considered,
21 the agency shall include a statement explaining the agency's
22 reasons for the determination, including a reference to any data,
23 studies, or analyses relied upon by the agency in making the
24 determination.

25 (b) For purposes of subsection (a), a proposed rule will be fully
26 implemented with respect to small businesses after:

27 (1) the conclusion of any phase-in period during which:

28 (A) the rule is gradually made to apply to small businesses or
29 certain types of small businesses; or

30 (B) the costs of the rule are gradually implemented; and

31 (2) the rule applies to all small businesses that will be affected by
32 the rule.

33 In determining the total annual economic impact of the rule under
34 subsection (a)(3), the agency shall consider the annual economic
35 impact on all small businesses beginning with the first twelve (12)
36 month period after the rule is fully implemented. The agency may use
37 actual or forecasted data and may consider the actual and anticipated
38 effects of inflation and deflation. The agency shall describe any
39 assumptions made and any data used in determining the total annual
40 economic impact of a rule under subsection (a)(3).

41 (c) The agency shall:

42 (1) publish the statement required under subsection (a) in the



Indiana Register as required by IC 4-22-2-24; and
 (2) deliver a copy of the statement, along with the proposed rule,
 to the small business ombudsman designated under ~~IC 5-28-17-5~~
IC 4-4-35-8 not later than the date of publication under
 subdivision (1).

SECTION 12. IC 5-28-5-6.5, AS ADDED BY P.L.56-2009,
 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 MAY 1, 2014]: Sec. 6.5. The board shall maintain a small business
 division ~~including the Small Business Development Center Lead~~
~~Center~~, to carry out the corporation's duties under IC 5-28-17. The
 board shall staff the division with employees of the corporation.

SECTION 13. IC 5-28-17-1, AS AMENDED BY P.L.133-2012,
 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 MAY 1, 2014]: Sec. 1. (a) The corporation shall do the following to
 carry out this chapter:

(1) Contribute to the strengthening of the economy of Indiana by
 encouraging the organization and development of new business
 enterprises, including technologically oriented enterprises.

(2) Approve and administer loans from the small business
 development fund established by IC 5-28-18.

(3) Conduct activities for nontraditional entrepreneurs under
 IC 5-28-18.

(4) Establish and administer the small and minority business
 financial assistance program under IC 5-28-20.

(5) Assist small businesses in obtaining state and federal tax
 incentives.

~~(6) Maintain, through the Small Business Development Centers,~~
~~a statewide network of public, private, and educational resources~~
~~to, among other things, inform small businesses of the state and~~
~~federal programs under which they may obtain financial~~
~~assistance or realize reduced costs through programs such as the~~
~~small employer health insurance pooling program under~~
~~IC 27-8-5-16(8).~~

(b) The corporation may do the following to carry out this chapter:

(1) Receive money from any source, enter into contracts, and
 expend money for any activities appropriate to its purpose.

(2) Do all other things necessary or incidental to carrying out the
 corporation's functions under this chapter.

(3) Establish programs to identify entrepreneurs with marketable
 ideas and to support the organization and development of new
 business enterprises, including technologically oriented
 enterprises.



(4) Conduct conferences and seminars to provide entrepreneurs with access to individuals and organizations with specialized expertise.

(5) Establish a statewide network of public, private, and educational resources to assist the organization and development of new enterprises.

~~(6) Operate a small business assistance center to provide small businesses, including minority owned businesses and businesses owned by women, with access to managerial and technical expertise and to provide assistance in resolving problems encountered by small businesses.~~

~~(7)~~ (6) Cooperate with public and private entities, including the Indiana Small Business Development Center Network and the federal government marketing program, in exercising the powers listed in this subsection.

~~(8)~~ (7) Establish and administer the small and minority business financial assistance program under IC 5-28-20.

~~(9)~~ (8) Approve and administer loans from the small business development fund established by IC 5-28-18.

~~(10)~~ (9) Coordinate state funded programs that assist the organization and development of new enterprises.

SECTION 14. IC 5-28-17-5 IS REPEALED [EFFECTIVE MAY 1, 2014]. Sec. 5: The board shall designate an employee in the small business division to be the small business ombudsman. The small business ombudsman serves at the pleasure of the board. The corporation shall provide staff support to the small business ombudsman. The small business ombudsman shall carry out the following duties:

(1) Work with state agencies to permit increased enforcement flexibility and the ability to grant common sense exemptions for first time offenders of state rules and policies, including, notwithstanding any other law, policies for the compromise of interest and penalties related to a listed tax (as defined in IC 6-8.1-1-1) and other taxes and fees collected or administered by a state agency.

(2) Work with state agencies to seek ways to consolidate forms and eliminate the duplication of paperwork, harmonize data, and coordinate due dates.

(3) Coordinate with OMB (as defined in IC 4-3-22-3) to perform cost benefit analyses.

(4) Work with state agencies to monitor any outdated, ineffective, or overly burdensome information requests from state agencies to



small businesses:

(5) Carry out the duties specified under IC 4-22-2-28 and IC 4-22-2-1 to review proposed rules and participate in rulemaking actions that affect small businesses:

(6) Coordinate with the ombudsmen designated under IC 13-28-3-2 and the office of voluntary compliance established by IC 13-28-1-1 to coordinate the provision of services required under IC 4-22-2-28.1 and IC 13-28-3.

(7) Prepare written and electronic information for periodic distribution to small businesses describing the small business services provided by coordinators (as defined in IC 4-3-22-16) and work with the office of technology established by IC 4-13.1-2-1 to place information concerning the availability of these services on state Internet web sites that the small business ombudsman or a state agency determines are most likely to be visited by small business owners and managers:

(8) Assist in training agency coordinators that will be assigned to rules under IC 4-22-2-28.1(c).

(9) Investigate and attempt to resolve any matter regarding compliance by a small business with a law, rule, or policy administered by a state agency, either as a party to a proceeding or as a mediator:

State agencies shall cooperate with the small business ombudsman to carry out the purpose of this section. The department of state revenue and the department of workforce development shall establish a program to distribute the information described in subdivision (7) to small businesses that are required to file returns or information with these state agencies:

SECTION 15. IC 5-28-35 IS REPEALED [EFFECTIVE MAY 1, 2014]. (Young Entrepreneurs Program).

SECTION 16. IC 35-51-4-1, AS AMENDED BY P.L.158-2013, SECTION 673, AND AS AMENDED BY P.L.221-2013, SECTION 7, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. The following statutes define crimes in IC 4:

IC 4-1-10-8 (Concerning state agencies).

IC 4-1-10-9 (Concerning state agencies).

IC 4-2-7-8 (Concerning the inspector general).

~~IC 4-4-27-8 (Concerning the inspection of grain):~~

IC 4-13.6-4-14 (Concerning state public works).

IC 4-21.5-3-36 (Concerning administrative proceedings).

IC 4-21.5-3-37 (Concerning administrative proceedings).



- 1 IC 4-30-3-19 (Concerning the lottery).
- 2 IC 4-30-3-19.5 (Concerning the lottery).
- 3 IC 4-30-3-19.7 (Concerning the lottery).
- 4 IC 4-30-12-5 (Concerning the lottery).
- 5 IC 4-30-13-1 (Concerning the lottery).
- 6 IC 4-30-14-1 (Concerning the lottery).
- 7 IC 4-30-14-2 (Concerning the lottery).
- 8 IC 4-30-14-3 (Concerning the lottery).
- 9 IC 4-30-14-4 (Concerning the lottery).
- 10 IC 4-30-14-5 (Concerning ~~horse racing~~ the lottery).
- 11 IC 4-30-14-6 (Concerning the lottery).
- 12 *IC 4-31-7-9 (Concerning horse racing).*
- 13 IC 4-31-13-3 (Concerning horse racing).
- 14 IC 4-31-13-3.5 (Concerning horse racing).
- 15 IC 4-31-13-9 (Concerning horse racing).
- 16 IC 4-32.2-8-4 (Concerning charity gaming).
- 17 IC 4-33-10-1 (Concerning riverboat gambling).
- 18 IC 4-33-10-2 (Concerning riverboat gambling).
- 19 IC 4-33-10-2.1 (Concerning riverboat gambling).
- 20 IC 4-33-10-2.5 (Concerning riverboat gambling).
- 21 *IC 4-33-10-6 (Concerning riverboat gambling).*
- 22 IC 4-33-22-14 (Concerning boxing and mixed martial arts).
- 23 IC 4-33-22-40 (Concerning boxing and mixed martial arts).
- 24 IC 4-35-9-2 (Concerning gambling games at racetracks).
- 25 ~~IC 4-35-9-3 (Concerning gambling games at racetracks).~~
- 26 IC 4-35-9-4 (Concerning gambling games at racetracks).
- 27 IC 4-35-9-5 (Concerning gambling games at racetracks).
- 28 *IC 4-35-9-6 (Concerning gambling games at racetracks).*
- 29 IC 4-36-6-5 (Concerning gambling in certain establishments).
- 30 SECTION 17. [EFFECTIVE MAY 1, 2014] **(a) As used in this**
- 31 **SECTION, "corporation" means the Indiana economic**
- 32 **development corporation.**
- 33 **(b) As used in this SECTION, "office" means the office of small**
- 34 **business and entrepreneurship.**
- 35 **(c) On May 1, 2014, all powers, duties, agreements, and**
- 36 **liabilities of the corporation relating to the Indiana small business**
- 37 **development center and the young entrepreneurs program are**
- 38 **transferred to the office.**
- 39 **(d) On May 1, 2014, all records and property, including**
- 40 **appropriations and other funds, under the control of the**
- 41 **corporation relating to the Indiana small business development**
- 42 **center and the young entrepreneurs program are transferred to the**



1 office.

2 (e) After April 30, 2014, any amounts owed to the corporation
3 before May 1, 2014, with respect to the Indiana small business
4 development center and the young entrepreneurs program are
5 considered amounts owed to the office.

6 (f) After April 30, 2014, a reference to the corporation with
7 respect to the Indiana small business development center and the
8 young entrepreneurs program in any statute, rule, or other
9 document is considered a reference to the office.

10 (g) Not later than June 30, 2014, any money in the livestock
11 industry promotion and development fund established under
12 IC 4-4-3.2-3 shall be transferred to the livestock industry
13 promotion and development fund established under IC 15-11-5-4.
14 Money transferred under this subsection is appropriated for the
15 purposes of IC 15-11-5. All records of the program operated under
16 IC 4-4-3.2 shall be transferred to the department of agriculture.

17 (h) Not later than June 30, 2014, any money in the livestock
18 export facility administration fund established under IC 4-4-3.3-7
19 shall be transferred to the state general fund. All records of the
20 program operated under IC 4-4-3.3 shall be transferred to the
21 director of the department of agriculture.

22 (i) Not later than June 30, 2014, any money in the community
23 development fund established under IC 4-4-15-2 shall be
24 transferred to the state general fund. The lieutenant governor shall
25 retain the records of the program operated under IC 4-4-15 in
26 accordance with the requirements of IC 5-15-5.1-10.

27 (j) This SECTION expires January 1, 2015.

28 SECTION 18. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Small Business and Economic Development, to which was referred House Bill 1332, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration and to make an appropriation.

Page 2, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 2. IC 4-4-3.2 IS REPEALED [EFFECTIVE JULY 1, 2014]. (Promotion of Livestock Shows).

SECTION 3. IC 4-4-3.3 IS REPEALED [EFFECTIVE JULY 1, 2014]. (Promotion of Foreign Markets for Agricultural Products).

SECTION 4. IC 4-4-3.8 IS REPEALED [EFFECTIVE JULY 1, 2014]. (Aquaculture).

SECTION 5. IC 4-4-15 IS REPEALED [EFFECTIVE JULY 1, 2014]. (Community Promotion Program).

SECTION 6. IC 4-4-27 IS REPEALED [EFFECTIVE JULY 1, 2014]. (Inspection of Grain Moisture Testing Equipment)."

Page 5, line 6, delete "corporation" and insert "**office**".

Page 17, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 16. IC 35-51-4-1, AS AMENDED BY P.L.158-2013, SECTION 673, AND AS AMENDED BY P.L.221-2013, SECTION 7, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1. The following statutes define crimes in IC 4:

IC 4-1-10-8 (Concerning state agencies).

IC 4-1-10-9 (Concerning state agencies).

IC 4-2-7-8 (Concerning the inspector general).

~~IC 4-4-27-8 (Concerning the inspection of grain).~~

IC 4-13-6-4-14 (Concerning state public works).

IC 4-21.5-3-36 (Concerning administrative proceedings).

IC 4-21.5-3-37 (Concerning administrative proceedings).

IC 4-30-3-19 (Concerning the lottery).

IC 4-30-3-19.5 (Concerning the lottery).

IC 4-30-3-19.7 (Concerning the lottery).

IC 4-30-12-5 (Concerning the lottery).

IC 4-30-13-1 (Concerning the lottery).

IC 4-30-14-1 (Concerning the lottery).

IC 4-30-14-2 (Concerning the lottery).



IC 4-30-14-3 (Concerning the lottery).
 IC 4-30-14-4 (Concerning the lottery).
 IC 4-30-14-5 (Concerning ~~horse racing~~ the lottery).
 IC 4-30-14-6 (Concerning the lottery).
 IC 4-31-7-9 (Concerning horse racing).
 IC 4-31-13-3 (Concerning horse racing).
 IC 4-31-13-3.5 (Concerning horse racing).
 IC 4-31-13-9 (Concerning horse racing).
 IC 4-32.2-8-4 (Concerning charity gaming).
 IC 4-33-10-1 (Concerning riverboat gambling).
 IC 4-33-10-2 (Concerning riverboat gambling).
 IC 4-33-10-2.1 (Concerning riverboat gambling).
 IC 4-33-10-2.5 (Concerning riverboat gambling).
 IC 4-33-10-6 (Concerning riverboat gambling).
 IC 4-33-22-14 (Concerning boxing and mixed martial arts).
 IC 4-33-22-40 (Concerning boxing and mixed martial arts).
 IC 4-35-9-2 (Concerning gambling games at racetracks).
~~IC 4-35-9-3 (Concerning gambling games at racetracks).~~
 IC 4-35-9-4 (Concerning gambling games at racetracks).
 IC 4-35-9-5 (Concerning gambling games at racetracks).
 IC 4-35-9-6 (Concerning gambling games at racetracks).
 IC 4-36-6-5 (Concerning gambling in certain establishments).".

Page 17, after line 42, begin a new paragraph and insert:

"(g) Not later than June 30, 2014, any money in the livestock industry promotion and development fund established under IC 4-4-3.2-3 shall be transferred to the livestock industry promotion and development fund established under IC 15-11-5-4. Money transferred under this subsection is appropriated for the purposes of IC 15-11-5. All records of the program operated under IC 4-4-3.2 shall be transferred to the department of agriculture.

(h) Not later than June 30, 2014, any money in the livestock export facility administration fund established under IC 4-4-3.3-7 shall be transferred to the state general fund. All records of the program operated under IC 4-4-3.3 shall be transferred to the director of the department of agriculture.

(i) Not later than June 30, 2014, any money in the community development fund established under IC 4-4-15-2 shall be transferred to the state general fund. The lieutenant governor shall



retain the records of the program operated under IC 4-4-15 in accordance with the requirements of IC 5-15-5.1-10."

Page 18, line 1, delete "(g)" and insert "(j)".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1332 as introduced.)

MESSMER, Chair

Committee Vote: yeas 11, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Agriculture and Natural Resources, to which was referred House Bill No. 1332, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to HB 1332 as printed January 24, 2014.)

Committee Vote: Yeas 7, Nays 0

Senator Yoder, Chairperson

